

## PROPERTY OWNER ASSOCIATION CHECKLIST

Name of Bank: \_\_\_\_\_ Bookkeeper: \_\_\_\_\_

Account #  
(last 4 digits): \_\_\_\_\_ Signature(s) on  
Account: \_\_\_\_\_

Type of Account: \_\_\_\_\_

Bank Account in the name of: \_\_\_\_\_

Computer Software Used: \_\_\_\_\_ Period Examined: \_\_\_\_\_

# POAs Managed: \_\_\_\_\_

### SUMMARY OF FINDINGS

**Bank Reconciliations:** \_\_\_\_\_ Satisfactory \_\_\_\_\_ Deficient \_\_\_\_\_ No Reconciliation

**Note Deficiencies:**

**Ledger Reconciliations (Trial Balance)**

Trial Balance: \_\_\_\_\_ Satisfactory \_\_\_\_\_ Deficient \_\_\_\_\_ No Trial Balance

Could a Trust Account Liability be Calculated? \_\_\_\_\_ If so, do the records indicate:

	<u>Per Broker's Books</u>	<u>Auditor Calculated</u>
Overage:	Amt: _____	Amt: _____
Shortage:	Amt: _____	Amt: _____
Deficit Spending:		
Commingling:		

**Other Deficiencies Noted:**

### CORRECTIVE ACTIONS & RECOMMENDATIONS

**Corrective Actions:**

**Recommendations:**

Deadline for BIC to demonstrate that Corrective Actions have been instituted: \_\_\_\_\_

**G.S. Section 93A-6(g) [Insured Depository Institution]**

1. Is the account in a federally insured depository institution lawfully doing business in North Carolina? .....

**Comments:**

**Rule A.0116(c) [Interest Bearing Trust/Escrow Accounts]**

2. Is the bank account interest-bearing? .....

**(If no, skip to Question #3)**

a. If yes, is there written authorization for deposit? .....

b. Is the written authorization conspicuous? .....

c. Does it state how/to whom interest will be disbursed? .....

3. Is the bank account a demand account? .....

**Comments:**

**Rule A.0117(b) [Trust/Escrow Account Designation on Bank Accounts]**

4. Are the following designated Trust or Escrow?

a. Deposit Slips: .....

b. Checks: .....

c. Bank Statements: .....

**Comments:**

**Rule A.0118 (a)(b) [Property Owner Associations]**

5. Are the property owner association funds in a bank account maintained by the broker's managing entity and exclusively for funds belonging to that property owners association? .....

6. Are any of the officers of the property owner association a signatory on the broker's account? .....

7. Are periodic statements provided to the property owner association according to the licensee's agreement with the association and at least every 90 days? .....

**(If no, skip to Question #8)**

If yes, do the periodic statements:

a. Report the balance of association funds in the licensee's possession or control? .....

b. Account for the funds the licensee has received and disbursed on behalf of the association? .....

**Comments:**

**Rule A.0117 (c)(2) [Canceled Checks]**

8. Do canceled checks identify the purpose of the disbursement? .....

9. Are digitally imaged copies of the canceled checks retained in lieu of canceled checks? .....

**(If no, skip to Question #10)**

If yes, are the digitally imaged copies:

a. Legible reproductions of the original canceled checks? .....

b. The front and back of the original canceled checks? .....

**Comments:**

**Rule A.0117(c)(3) [Deposit Tickets]**

10. Do deposit tickets or supplemental deposit worksheets for each transaction identify:
- a. Property or property interest address for which the payment is made? .....
  - b. Owner? .....
  - c. Remitter of the monies deposited? .....
  - d. Purpose of the payment of the monies deposited? .....
  - e. Do computer deposit tickets agree with bank deposit tickets? .....

**Comments:**

**Rule A.0117 (c) (5) [Journal/Check Stubs]**

11. Is a trust/escrow journal or check stubs maintained? .....
- (If no, skip to Question #12)**
- a. If yes, document examined \_\_\_\_\_
  - b. Are the transactions recorded in the journal in chronological sequence? .....
  - c. Does the journal show a running balance of funds in the bank account? .....
  - d. Does the journal identify each bank deposit transaction with:
    - i. The amount of the deposit? .....
    - ii. The date of the deposit? .....
    - iii. An appropriate reference to the corresponding deposit ticket? .....
  - e. Does the journal identify each bank disbursement transaction with the:
    - i. Amount of the disbursement? .....
    - ii. Date of the disbursement? .....
    - iii. Check number when a check is used to disburse trust funds? .....
    - iv. Payee? .....
    - v. Purpose of the disbursement? .....

**Comments:**

**Rule A.0117 (c)(6) [Payment Record Sheet]**

12. Is a payment record sheet maintained for each property or interest in the property? .....
- (If no, skip to #14)**
13. Do the payment record sheets identify the:
- a. Amount of payments received? .....
  - b. Date of the receipt of the payments? .....
  - c. Remitter of the payments? .....
  - d. Purpose of the payments received? .....
  - e. Amount of the obligation for which payments are made? .....
  - f. Nature of the obligation for which payments are made? .....
  - g. Amount of any balance due or delinquency (running balances)? .....

**Comments:**

**Rule A.0117 (d) [Audit Trail]**

14. Is there an audit trail from the deposit slips or supplemental deposit worksheet to the journal? .....
15. Is there an audit trail from the deposit slips or supplemental deposit worksheet to the payment record sheets? .....
16. Is there an audit trail from the canceled checks or supplemental disbursement worksheet to the journal? .....

**Comments:**

**Rule A.0117(e) [Reconciliation]**

17. Are bank statements reconciled to the journal monthly? .....
- a. When was the last reconciliation prepared? \_\_\_\_\_ (date)
- b. For what month? \_\_\_\_\_

**Comments:**

**G.S. Section 93 A-6(a)(12) and Rule A.0116(g)**

18. Is there any evidence of:
- a. Shortages (Accounts Receivable) from the management entity on the Property Owners Association general ledger? .....
- b. Overages (Accounts Payable) to the management entity on the Property Owners Association general ledger? .....
- c. NSF escrow checks? .....
- d. Conversion of Property Owner Association trust money to personal use? .....

**Comments:**